

## **Is Your Financial Plan Only An Intention?**

You cannot turn on your television today without being confronted by an advertisement for some form of financial advice. There is more information available today for the average investor than ever before, granting access to planning techniques formerly available only to the very wealthy. This explosion of information has allowed more individuals to take personal charge of their financial future.

“Do-it-yourself” investing is very similar to planning your own vacation rather than using a travel agent. The resources are certainly available for both, and many individuals do accomplish what they set out to do. For many people, however, the stated objective never gets beyond an intention, especially with regards to financial objectives.

We often hear it said that, “I’m planning to go to Hawaii”, or with respect to financial matters, “I’m planning to retire with sufficient income to live comfortably”. These statements do not indicate much more than a good intention. Many people plan to do things year after year, and make brand new resolutions of their intentions every New Year. It is when a person becomes very serious about their goal that

they seek a professional and establish a plan.

Having a specific plan to “retire with sufficient income to live comfortably in retirement”, for example, is much different than the stated intention of doing so. A plan is something that is generally written, measurable, and indicates action that must be taken to reach that objective.

“Planning to go to Hawaii” is different than setting aside a certain sum of money each pay day in order to buy a ticket to Hawaii. It requires action and measuring the progress toward the goal.

Financial planning involves making detailed financial objectives along with the steps required to reach them. A qualified financial planner can project the funds needed in the future, accounting for inflation and assuming specific returns. Additionally, quality financial planning provides for measuring risk and properly allocating a portfolio among the various asset classes in order to diversify and protect against much of the market risk, and other risks, that exist.

Is your financial plan only an intention, or is it a well-stated and specific plan? If it is only an intention, consider working with a qualified financial professional who can help you focus your intentions

into a workable goal with specific steps of action that can be taken. Each one of us is responsible for our own future. A small change today may pay big rewards in the future.

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